

**CLEAN AIR ACT ADVISORY COMMITTEE**  
**Meeting of the Subcommittee on Linking Land Use, Transportation, and Air Quality**  
**Thursday, February 4, 1999**

**The International Trade Center**  
**The Ronald Reagan Building**  
**1300 Pennsylvania Avenue, NW**  
**Washington, D.C.**

Gay MacGregor, EPA-OMS, and Bob Wyman, Latham and Watkins, called the meeting to order at 5:30 p.m. After the attendees introduced themselves, the minutes from the previous meeting were formally accepted by the subcommittee.

**Report from the Quantification Workgroup (Steve Gerritson, Sierra Club)**

Steve Gerritson, Sierra Club, began the presentation by explaining that the Quantification Workgroup is working on a methodology to enable communities and states to quantify alternative types of emissions reduction and control mechanisms. Over the course of two conference calls, the Workgroup has discussed some of the possible mechanisms, including a methodology workbook and spreadsheet model created by a contractor. The workbook and spreadsheet are conceptually similar to the MOBILE5 and MOBILE6 models in that users plug in their own numbers to apply the model to their own local conditions. Further, six substantive papers on transportation control measures (TCMs) have also been discussed. The six papers are as follows:

- Estimating the Effect of Telecommuting on Travel Activity and Emissions
- Estimating the Effect of Alternative Work Schedules on Travel Activity and Emissions
- Estimating the Effect of Transit Fare Decreases on Travel Activity and Emissions
- Estimating the Effect of Increases in Transit Service on Travel Activity and Emissions

### Questions and Comments

- Mr. Wyman asked what some of the particular strategies are that the Workgroup is looking at for transportation demand management. Mr. Gerritson responded that the Workgroup is exploring everything from HOV lanes and how to better manage toll collection systems to reduce congestion to improving lighting as an attempt to improve traffic flow.
- Bill Goldsmith, Cornell University, asked if the Workgroup is modeling strategies or if they are using case studies. Mr. Gerritson responded that the Workgroup's approach is a combination of both.
- Mr. Wyman asked about the Workgroup's process timeline. Mr. Gerritson indicated that the Workgroup had not yet discussed a specific end date. Mr. Gerritson also noted that the Workgroup hopes the documents will engender more creative reduction strategies (which the Workgroup will then be asked to quantify).
- Ms. MacGregor raised the question of how to get these initiatives into state implementation plans (SIPs). She stated that without the means to quantify air quality benefits states often cannot get the money needed to start the program. She also mentioned that there is a long list yet to come of programs that need quantification devices. Mr. Wyman asked whether the Workgroup anticipates that these state initiatives will qualify for voluntary SIP credit. Mr. Gerritson responded that this is possible.
- Mr. Wyman asked if the programs are being kept track of and if information is available on a website. Mr. Gerritson responded that there are currently several different efforts for tracking the programs. Some of them are being tracked through the Office of Mobile Sources (OMS) website and some through the Economic Incentives Subcommittee's "Cookbook for Cleaner Air."
- John Hall, EPA-OMS, named the Workgroup members. They are Steve Gerritson, Sierra Club; Simon Washington, GIT; Patricia Mokhtarian, UC-Davis; and Paul Schimek, U.S. DOT/Volpe.

Mr. Wyman began the discussion by referring the group to a list of program elements and a Community Star Awards Program draft brochure. Mr. Wyman then provided a background on the program. He informed the subcommittee that Matt Borick, ICF Incorporated, with the input of some subcommittee members, had created a strong proposal. Mr. Wyman explained that the initial effort was to develop a tangible model for discussion, but cautioned that the program is only a proposal at this stage.

Mr. Wyman continued by briefly describing how the creation process has progressed thus far. A conference call was held in mid-December through which some participants from the subcommittee provided very helpful feedback. Mr. Borick used those comments to put together a description of program that was then circulated to subcommittee members, who provided a second set of comments that were then incorporated into the present document. Mr. Wyman stated that the purpose of the program is to look at the subject matter of the subcommittee (transportation, energy, and land use) and to provide a voluntary award program for anyone who makes decisions that would positively effect transportation, energy, or land use and, in turn, air quality. He noted that in many of these areas EPA does not have traditional tools to use. Mr. Wyman stressed that the award program's greatest effect might be to help to inform communities, developers, and public and private sector entities of what "works well."

Mr. Wyman indicated that the general consensus in the December conference call was that it is much easier to quantify benefits from transportation or energy technology activities than those from land use activities, and stated that the effect of land use choices and designs on air quality may be as unique as each geographic location is. He suggested that the subcommittee seek to recognize this difficulty using subjective judgement in certain cases while remaining more quantitative where that option is available (where there is more experience in quantifying benefits).

Mr. Wyman stated that the overall purpose of the awards program would be to recognize efforts by public or private sector entities in either the design or implementation of transportation projects, energy systems, and development. Under the proposal's current design, solicitations would be sent out mid-year 1999. The initial screening would be done by EPA staff and would require applicants to self evaluate to an extent and to provide references so that some cross-checking could be done. Under the current proposal, EPA would call upon individuals or panels of experts in key areas as they see fit. At future subcommittee meetings, the awards staff would

program. He also noted that the goal here is to design an award that is practical and reasonably easy to implement and that will have some value to private or public entities that receive it. Award forms that have been discussed include recognition, monetary awards, and qualification for special consideration for regulatory relief in appropriate cases. Mr. Wyman asked subcommittee members to look over the list of items to consider and asked for general comments.

#### Questions and Comments

- Paul Rasmussen, EPA, commented on the awards program proposed at the previous meeting of the Economic Incentives Subcommittee, which was a high level program with Nobel laureate judges and a White House dinner. Mr. Rasmussen stressed the need for the two subcommittees to get together to discuss the program and then to meet again as a full committee. Mr. Rasmussen indicated that the Economic Incentives Subcommittee, EPA senior management, and OAR feel that there should be a committee-wide awards program focusing on air quality, of which the Community Star program could be an integral part. He urged the subcommittee to consider keeping the program broad, as it may serve to elevate the prestige of the award. Mr. Rasmussen informed the group about the meeting of interested parties from both subcommittees scheduled to follow the individual subcommittee meetings and suggested that the subcommittee consider presenting the awards program at the full committee meeting. He commented that his personal hope is to have a firm proposal ready for the full committee's consideration by the end of April.
- Ms. MacGregor asked if the Economic Incentives Subcommittee had done any work based on the awards program presented to the full committee in November. Mr. Rasmussen responded that though they are aware of the program, they have not yet discussed it as a group.
- John Paul, RAPCA, suggested that the group create an award category designed to reward a program or project being proposed rather than something that has been done. For example, Oregon is developing a program focusing on the inspection of diesel trucks. Mr. Paul suggested that this category be created to encourage hard-working parties and to help them to get their programs approved and funded. Mr. Wyman pointed out that since the awards program is an attempt to encourage design, applicants should not be required to have their proposals constructed.

- Mr. Rasmussen stressed the need to make sure that the program is not duplicating an existing awards program and that it is unique enough to avoid being confused with other federal awards programs. Mr. Wyman responded by referring to the Clean Air Communities vision document, which was, in part, designed to recommend the integration of all of these federal programs. This integration would allow an individual to access information about all awards through a single contact. Mr. Wyman stressed that a lot of work would still need to be done to meet that goal. He also stated that it would be helpful to have an award specifically for air quality because other award programs do not focus on air quality but rather focus on clean vehicles and energy efficiency (e.g., Energy Star). He indicated that an air quality award would be helpful provided that it does not undercut these other awards or become confused with them. If these awards were pulled together at the government level into a single document, this would allow sharing between the awards committees to ensure that all worthy awards programs receive recognition.
- Don Clay, Koch Industries, questioned the purpose of the \$100 application fee. He commented that it would discourage the public sector from entering. Further, he made the point that handling money in the government is difficult. Alex Johnson, Delta Institute, also voiced his concerns about the application fee, stating that programs begin to become discriminatory when money is involved. Ms. Bullard added that, although the award may seem more meaningful if applicants must contribute money to apply for the award, it would be difficult for the subcommittee to actually obtain the money. Mr. Wyman asked if any subcommittee member felt strongly that a fee should be charged. The subcommittee members agreed that the fee should be taken out.
- Mr. Rasmussen commented that he has talked to the EPA Office of the General Counsel (OGC) and to the advisor on FACA and stated that, though the subcommittee can create this awards program, to his knowledge no other FACA in the agency has something similar. Mr. Rasmussen also warned the subcommittee that if sometime in the future a new assistant administrator of OAR decides not to recharter the committee, then the committee and the awards program institutionalized under it would both end. He therefore stressed that the subcommittee must decide if the award will be an Agency award under the aegis of the committee or a committee award with participation by the Agency.
- Herb Williams, Texas National Resource Conservation Commission, commented that the

- Mr. Wyman asked for opinions on applying the award to other groups besides communities. He indicated that if the award becomes a committee-wide effort, then it will most likely become one of many awards programs. Mr. Wyman also asked the subcommittee for suggestions of possible names for the award program. Mr. Rasmussen stressed that the name should begin with “clean air” and that it be simple and broad. Mr. Wyman agreed that the name should be kept to only a couple of syllables, if possible.
- Mr. Wyman stated that, regarding actions to be rewarded, the subcommittee is assuming any actions in the clean technology realm, transit enhancements and ridership encouragements, and vehicle miles traveled (VMT) and vehicle trip reductions should be considered. He noted that there were a number of comments during the development of the proposal regarding how VMT and vehicle trips should be handled. Michael Mittelholzer, NAHB, agreed that some areas (e.g., energy efficiency, transportation options, and increased land use efficiency) are clearly easier to handle than others. He also commented that currently EPA recognizes developments that are transit-oriented, but expressed concern about certain areas he still considers to be unresolved (e.g., different forms of mixed-use development, quantifying VMT reductions, and other areas that the Quantification Workgroup and others are already working on). Mr. Mittelholzer expressed concerns about giving out awards in areas where there is still research being done about what the relationships are. Greg Green, Oregon DEQ, suggested that part of the new awards program could reward that research. Mr. Goldsmith noted that Nobel Prizes have been awarded for research that was later found to be wrong. He also noted that, though there is some risk in rewarding VMT reductions, less VMT is better than more, all other things being equal. Mr. Goldsmith reminded the group that, in the context of actually making the award decisions, the winners will be clear.
- Chuck Collett, NAHB, stressed the importance of how the issue of VMT is packaged. He noted that wording has to be crafted so that the award program makes sense to industry members.
- Mr. Johnson stated that he works with groups that would be concerned if any suburban development received any kind of award because of the VMT concern. He suggested that the subcommittee use VMT and trip reductions as the benchmark and compare like to like.

- Mr. Collett stated that people from specific industries should be involved in the judging process with EPA. He also handed out some land development magazines showing the details of how NAHB is implementing its own awards program.
- Mr. Wyman concluded the discussion by asked subcommittee members to mark up the award document with their comments and send them to Ms. MacGregor, Mr. Borick, or to him. He stressed that members should feel free to suggest an entirely different approach structurally if they see fit. He indicated that a conference call would be scheduled after all comments were received and that a conference call or meeting with the Economic Incentives Subcommittee would be scheduled as well.

**Maryland Smart Growth Initiative: Perspective on State Policy (Ronald Young, Maryland Office of Planning, Smart Growth Initiative)**

Ronald Young, Maryland Office of Planning, began his presentation by distributing an informational brochure about the “Smart Growth and Neighborhood Conservation” program. He then briefly summarized the history behind the Smart Growth program. Mr. Young informed subcommittee members that Maryland, which has the oldest office of planning in country, has been looking at how to manage growth under at least four of its governors. In 1992, Maryland passed what became known as the “Economic Earth Resource Protection and Planning Act of 1992.” Mr. Young noted that this act laid a foundation for work in later years by providing a method of bringing everyone together and by changing the way local governments thought about planning at the time.

Mr. Young next outlined the growth problem that existed in Maryland when Governor Glendening came into office. The State’s population was expected to increase by more than a million people by 2020, representing a 20 percent increase in population. Trends showed that if no change was implemented Maryland would see 500,000 people move out of existing cities and suburbs to newer suburbs. Household sizes were continuing to decrease while lot sizes were continuing to increase. Predictions anticipated the loss of one-half of a million acres of land to development, which is about one-twelfth of the land in the state. This is an amount equal to that which has been lost from the time of Maryland’s original settlement in the 1600s until today.

Mr. Young explained that the need for a solution to Maryland’s growth problems was

Governor Glendening sent State representatives to speak directly with organizations about the need for change. These representatives outlined the problem and asked for suggestions. Mr. Young stated that he spoke with 150 of these organizations himself, but that this personal interaction was still not enough to gain their trust. As a result, the State immediately offered to put all of the ideas gathered from these conversations into a booklet, which was then dispersed to all interested parties (hiding the identities of those who made each suggestion) for their comments to further convince them that the government was being open with them.

Mr. Young next explained some of the parameters Governor Glendening set for any proposed program. First, he stated that no new money could be used to fund any new programs. New programs had to be funded through a reprioritization of existing money. Further, the governor outlawed the creation of any new bureaucracy (e.g., no new departments or task forces). Finally, the governor did not want any attempted takeovers of local land use control, but rather wanted changes to be incentive-based.

Mr. Young commented that the governor's proposed legislation passed within 9 months of the day when he first mentioned the idea, although he admitted that a great deal of planning went into the governor's efforts to get the legislation passed. The administration made sure to have the opposition outnumbered at each hearing, had supporters call their delegates and senators, talked to member chapters of organizations before speaking to statewide chapters, and targeted groups that they felt sure would oppose the legislation (e.g., the Maryland Association of Counties). In addition, for every organization that spoke against the legislation, the administration was sure to have someone from that organization speaking for it. Mr. Young explained that the goal was not only to weaken the opposition but to spread their message first hand.

Mr. Young then informed the subcommittee about five initiatives that passed in first legislative session:

- *Live Near Your Work* made employees of certain businesses and institutions in Maryland eligible to receive a minimum of \$3,000 toward the purchase of their homes. The funds are made available through a state contribution of \$1,000, which is matched by the local jurisdiction and the employer. The program is a pilot in its third year.



indicated that the voluntary cleanup program has been a great success, while the brownfields program has not.)

- *Smart Growth Initiatives* provides an umbrella that unifies state policies and programs to protect, preserve and economically develop established communities and valuable natural and cultural resources.
- *Rural Legacy* seeks to preserve land at a pace equal to that of development. Since 1969, a transfer tax has existed that puts money toward the preservation of open space (13 percent goes to agricultural preservation, with the remainder split between the local government for park land and for the State to buy open space land).

Mr. Young next explained that cutbacks in Maryland over the past seven years have reduced the Department of Natural Resources to 75 to 80 percent of its previous size and, as a result, the government cannot continue to buy and manage as much land as it has in the past. *Rural Legacy* provided a way to buy the easements and development rights of land while letting it stay in private ownership, which should help to save major farm belts and to create greenbelts around developed areas. Mr. Young estimated that *Rural Legacy* will protect an additional 225,000 to 250,000 acres of land. Further the incorporation of matches and the use of transferable development rights should serve to expand the amount of land the money will protect.

Mr. Young indicated that the Maryland Office of Planning has received requests to draw urban growth boundaries and has attempted to respond to these requests through Smart Growth. The State allowed each county to designate the areas that they wanted to be priority funding areas. Early last year, the governor issued an Executive Order that instructed all departments to live by the principles of Smart Growth. Mr. Young explained that this order requires all programs to be re-adapted so that they direct growth back into targeted areas.

Mr. Young informed the subcommittee that the governor has announced his intention to shut down certain proposed highway projects, including five bypasses that were proposed for construction. Mr. Young explained that the governor is looking for other solutions to the traffic problem and is directing more transportation money back into the urban areas. Mr. Young noted that if new roads are built, they will be “no access” or “limited access” roads so that no new farm

Mr. Young stressed that the State aspires to make city life more desirable to provide individuals with the option of living either the urban or rural lifestyle. He explained that the focus is on keeping neighborhoods livable so that Maryland's cities will remain populated and Maryland's rural land will be preserved. Mr. Young stressed the governor's commitment to change while explaining that the actions that the governor took had to fall within the parameters of what the public was willing to accept. Mr. Young estimated that the State is about twenty-five percent of the way to its goal.

Mr. Young concluded his presentation by observing that the Smart Growth program has grown enormously in the past year and a half. Maryland has been contacted by thirty states, and Mr. Young has presented the program in-person to twenty states. He stressed the importance of Smart Growth as a means of dealing with the future problem of sprawl in advance.

#### Questions and Comments

- Mr. Rasmussen asked if air quality was a part of the political debate over legislation. Mr. Young responded that it was to some degree. Maryland is trying to reduce VMT and is also looking at using more mixed-use zoning so that less driving is necessary for day-to-day living.
- Mr. Auberle asked how the program has been accepted in western Maryland. Mr. Young responded that no county commissioner in western Maryland was very enthusiastic about the program (but none opposed it, either). He also added that acceptance of the program has varied on a county-to-county basis -- most urban county executives have endorsed the program, some rural counties on the Eastern Shore fought against it, and counties in southern Maryland strongly opposed it. Mr. Young noted that in the most recent election, Maryland saw many counties turn over based on this issue.
- Mr. Goldsmith asked what innovations the State has undertaken in the area of inner-city education. Mr. Young responded that the governor decided from the beginning that he wanted to keep Smart Growth and the issues of education and the police on three separate tracks so that none are held up because of conflicts with one-another. Mr. Young reported that the governor is putting more money into Baltimore city schools than has ever been but that he is really not sure exactly what is being done about the issue

how the state funds will or will not be approved based upon the county plans that are submitted. Mr. Young responded that money that fosters new development will go to priority funding areas. He reiterated that there will be no new money: existing money needs to be prioritized and leveraged. Mr. Young mentioned that he is working with a few counties in Maryland to begin a pilot *Rural Legacy* project.

- Mr. Paul asked if there are any concentrated animal feed operations in Maryland and, if so, how the State has dealt with them. Mr. Young responded that the one piece of legislation that did not pass as a part of Smart Growth was the Strengthening the Right to Farm Act. Under this proposed act, the State was trying to allow for more food processing and sale products from farms so that farms could make more money. The initiative did not pass because of the chicken and hog farm issues that came up that year.
- Mick Ball, EPA-OMS, asked how the State plans to evaluate its success and to quantify this success for future justification. Mr. Young responded that he is heading up a group of designated staff from all of the agencies in the State to establish benchmarks and targets and to define the terms of the program. Mr. Young stated that he will be meeting with a facilitator to attempt to define all of the terms of the program and to establish measurable goals. He indicated that two already established goals are to double transit ridership and to decrease the annual increase in VMT (with the goal of lowering the annual increase back to zero).

**OMS Outreach and Partnerships: Environmental Health Center Initiative (Susan Bullard, Director of Communications, EPA Office of Mobile Sources, and Nyki Palermo, Environmental Health Center)**

Susan Bullard, EPA-OMS, began by stating the purpose of her presentation, which was to give the subcommittee an overview of the context of current OMS outreach activities. She referred the group to a handout entitled “Air Quality and the Impact of Mobile Sources: Partnership and Outreach.” Ms. Bullard explained that OMS is supporting state, local, and regional air quality management agencies by listening to what those agencies want and then working to accomplish those goals through partnerships and networking. She noted that OMS currently has approximately twenty-six projects that are being accomplished through partnerships.

Ms. Bullard stressed that OMS is trying to be a catalyst by providing national support (e.g., technical support) and context to community-based mobile source public education programs. OMS is helping communities to build local coalitions and at the same time is building national coalitions to support the local coalitions. Ms. Bullard stressed that all programs that OMS is funding in the area of outreach must be replicable in another community or area.

Ms. Bullard noted that OMS is attempting to locate information on funding sources that it can pass on to states. OMS is also working to encourage individual actions by letting people know that their choices make a difference. Finally, OMS is attempting to bridge the gap between automobile use, air quality, and public health.

Ms. Bullard explained that OMS' projects range from Environmental Education for Youth (which strives to educate youth not only as future drivers and consumers but also as potential motivators, decision-makers, and problem-solvers) and Transportation Choices/Personal Responsibility (e.g., reduce trips, trip chain, use alternative modes, car pool, cleaner cars, cleaner fuels) to projects focused on issues such as car care (for example, OMS is educating car technicians so that they will, in turn, educate the public). Other projects include Particulate Matter, OBD II, and Ozone Mapping and Forecasting.

Ms. Bullard then named the core partners that are being funded specifically for outreach-related issues. More than 12 state and local air management agencies serve as core partners on a range of issues. From these agencies alone, OMS has received \$6.9 million in requests for the \$550,000 available. Other core partners are STAPPA/ALAPCO (particulate matter), the Environmental Health Center (driver education), NESCAUM/OTC/MARAMA (ozone mapping/forecasting), the Academy for Educational Development (youth as motivators, future drivers, and consumers with pilot programs in Kansas City, Tampa, Boston), the American Lung Association (mini grants to local associations), DOT's FHWA and FTA ("It All Adds Up to Cleaner Air" public education initiative with three pilots in Milwaukee, Dover, and San Francisco), Weber State/Utah DAQ ("Car Care for Clean Air"), and the Service Technicians' Society (outreach to technicians).

Ms. Bullard referred the subcommittee to a *Federal Register* handout that summarizes the current status of OMS' "It All Adds Up to Cleaner Air" public education initiative. She noted that OMS has received 100 letters of interest for the 12 spots they have for communities. OMS will be providing all of those who apply with a tool kit of all materials developed over the last

that OMS will send the informational materials to anyone who is willing to use them. Some communities who have sent letters of interest already have a significant list of partners with whom they are already collaborating, including industry. Ms. Bullard also noted that this program is open to any organization involved in transportation and air quality.

- Mr. Wyman asked if OMS is working with the Environmental and Media Association. Ms. Bullard clarified that OMS has not yet worked with them directly, but has done preliminary work with them through Region 9. She also stated that she urges any group considering using a celebrity spokesperson to make sure that the individual will be a good representative.
- Mr. Green asked if the decision not to establish partnerships with private industry was a conscious one. Ms. Bullard clarified that OMS *is* establishing partnerships with industry, but that it just cannot provide funding to them. She noted that private organizations that are interested in becoming lead organizations need to find an organization within their coalition that is eligible to receive funding. Mr. Green then asked if OMS puts interested private organizations in touch with potential partner agencies. Ms. Bullard responded that they do.

Ms. Bullard continued the discussion by introducing Nyki Palermo, Environmental Health Center (EHC). Ms. Bullard explained that, as members of the National Safety Council, she and Ms. Palermo have been collaborating to create the “Cleaner Cars Module,” which Ms. Palermo would be presenting to the subcommittee.

Ms. Palermo began by referring subcommittee members to a Cleaner Cars Module fact sheet. She then explained that the Cleaner Cars Module is an initiative to encourage responsible car maintenance and driving habits among future drivers. It is also an attempt to change individuals’ behavior before that behavior is fully developed. The module, which is contained in a single binder, is a teacher’s guide that provides step-by-step guidance on what air pollution is and also provides background information on air quality issues. Most importantly, it provides guidance for teachers on how to educate young people about these issues.

The materials in the Clean Cars Module all apply to the process of buying a car. The module contains a video, a CD ROM (a trivia game that requires students to answer questions

behaviors because of what they learned from the module. Ms. Palermo added that the video is free to all teachers who verify that the module is for school use by sending their requests on school letterhead.

#### Questions and Comments

- Mr. Wyman asked about the length of the video. Ms. Palermo responded that it is 13 minutes long.
- Pete Jonker, Semptra Energy, asked why EHC chose to focus on electric vehicles rather than natural gas vehicles. Ms. Palermo responded that module development began two years ago and that it is still being updated. She stressed that the module was created by a group of collaborators and that she could not respond on behalf of the entire group.
- Mr. Wyman asked if individuals could send EHC comments and suggestions. Ms. Palermo responded that comments could be sent to palermon@nsc.org.
- Ms. Bullard commented that the module is, in part, the result of OMS' goal to create something that could be handed out to the public at no cost.
- Mr. Wyman asked that Ms. Palermo present the module at the full committee meeting.

#### **President Clinton's Clean Air Partnership Fund (Jerry Kurtzweg, EPA Office of Air and Radiation)**

Jerry Kurtzweg, EPA-OAR, began his presentation by briefly outlining the Clean Air Partnership Fund recently proposed by President Clinton. The President's budget request of approximately \$7.2 billion for EPA included both a green bonds proposal to prevent sprawl and the Clean Air Partnership Fund. Mr. Kurtzweg stated that, over the next few months, EPA will be seeking structured input on the Clean Air Partnership Fund. This input will help EPA to create a well-designed program and will ensure that mechanisms are in place to make funds accessible to eligible parties as soon as possible.

Mr. Kurtzweg indicated that the objectives of the Clean Air Partnership include

responses regarding short-term solutions and projects that focus on the “pollutant of the moment” because of the structure of the Clean Air Act and the way EPA tends to do business. The Clean Air Partnership Fund is an attempt to encourage more broadly-focused programs. Some examples of potential ways to accomplish this include start-up capital for municipalities, energy efficiency projects, cleaner electricity generation, local revolving loan funds, tax credits, and demand for renewable sources of energy.

Mr. Kurtzweg noted that, over the next several months, EPA anticipates having more structured interaction with groups and other stakeholders to generate further program development ideas. He also indicated that the program will go through the regular appropriations process, which means that the proposal will go through Congress. EPA’s goal is to convince Congress that the program is a good idea, that EPA is knowledgeable about the program, and that EPA seeks input to help make the program work.

#### Questions and Comments

- Ms. MacGregor asked if the Clean Air Partnership Fund would be discussed at the full committee meeting. Mr. Kurtzweg responded that Mr. Wyman would speak about the program briefly at the meeting. Ms. MacGregor also asked for clarification of the time frame for receiving input. Mr. Kurtzweg confirmed that the time frame is short and that EPA plans to structure some of the program before the hearing next week. By April, when the appropriations committees assemble, EPA plans to start flushing out the program. Mr. Kurtzweg noted that the program will give a few large grants rather than numerous smaller grants.
- Mr. Rasmussen asked whether decisions will be made regionally or at EPA headquarters. Mr. Kurtzweg stated that the program will be administrated at headquarters.
- Mr. Green expressed his concern that EPA will try to target the funds where it perceives the worst air pollution problems exist and will thus cut out a large portion of the United States.

Ms. Tregoning then discussed the Better America Bonds program, which is part of the Administration's Livability Initiative. Vice President Gore announced the Better America Bonds program on January 11, and President Clinton referred to the program in his State of the Union address. The initiative is for communities (e.g., center cities, older cities, and fast-growing suburbs on the fringes of communities) trying to improve their quality of life. The bonds are designed to support community efforts and to provide additional resources for communities to use in achieving their smart growth objectives.

Ms. Tregoning stated that tax credit bonds (a new category of bonds) are being proposed under the program. In lieu of interest, the Treasury would offer a tax credit over a five-year period. As a result, communities would have access to zero-interest money, and investors who buy these 15-year bonds would receive tax credits in lieu of interest. Eligible uses of the funds would include preserving and enhancing green space, protecting water quality, and cleaning up and redeveloping brownfields. Ms. Tregoning indicated that the program would be administered by EPA in consultation with other federal agencies that have programs that are relevant and compatible with Better America Bonds.

Next, Ms. Tregoning explained that the Better America Bonds program is designed to be analogous to attributes of EPA's brownfields program. First, there are no regulations and no restrictions on how land is used. Second, decisions will be made at the state and local level (although EPA will create some criteria to ensure that there are substantial environmental benefits associated with bond use). In addition, Vice President Gore's suggestion to encourage more regional cooperation will be incorporated into the program. (EPA will attempt to give more credit to those who cooperate across jurisdictions.) Finally, the Better America Bonds program fosters collaboration with other federal agencies in developing criteria for the program and selecting state governments' local projects and NGO projects that are eligible. Ms. Tregoning concluded by noting that the EPA Administrator has coordinated a significant amount of outreach to express EPA's excitement about this program.

#### Questions and Comments

- Mr. Auberle asked what political opposition the program was receiving. Ms. Tregoning responded that the Lands Legacy program was introduced the day after the Better America Bonds program, and explained that the bonds program may have a better chance



- Mr. Auberle also asked about how much enthusiasm has been received for this initiative in the budget. In response, Ms. Tregoning stated that enthusiasm is coming from governors, mayors, and from the growing members of organizations that focus on smart growth and livability, rather than from Congress. She explained that land acquisition and preservation are not the most challenging parts of the smart growth agenda to be advanced, but that the Better America Bonds program is a good first step in that it demonstrates the government's potential to show leadership in the area of land acquisition.
- Mr. Mittelholzer stated that NAHB is willing to lobby for the proposal. The Vice President recently announced that NAHB, the U.S. Conference of Mayors (USCM), and the Department of Housing and Urban Development (HUD) signed a Memorandum of Understanding agreeing to work together to build an additional one million new homes over the next 10 years in cities across the nation. Mr. Mittelholzer explained that for the last five months, NAHB has been working with USCM to identify strategies to promote brownfields in Congress and in the state agencies. (Mr. Mittelholzer distributed press releases announcing this partnership.) Mr. Mittelholzer then commented that NAHB has heard that the EPA Administrator may be forming a group of stakeholders to look at some of the implementing instruments of the Better America Bonds Program. Since NAHB is publicly committed to the bonds program, Mr. Mittelholzer stated that NAHB pledges to share information with the subcommittee if NAHB is a part of the stakeholder group.
- Ms. MacGregor asked where the bonds program will be housed in EPA. Ms. Tregoning responded that the issue has not yet been decided. She noted that there are limited resources for the program, and that its implementation will require reprogramming within the Agency. Ms. MacGregor then stressed that comments from subcommittee members on the Better America Bonds and the Clean Air Partnership programs would be helpful, particularly in the case of the \$200 million proposal for the Clean Air Partnership Fund.
- Mr. Goldsmith asked how much influence this process would have over the next several weeks on the way that TEA-21 funds are spent. Ms. Tregoning replied that EPA has had preliminary conversations with the Department of Transportation (DOT) to discuss the possibility of DOT joining the Smart Growth Network. (Ms. Tregoning also referred to the November ballot initiatives, in which 72 percent of 242 state and local ballot initiatives around the country regarding development passed by overwhelming majorities. There were 13 state-wide and 226 local initiatives that made another \$7.5 billion available for

development, and congestion mitigation programming funds are topics that should be discussed further at a future subcommittee meeting.

- Ms. MacGregor expressed that EPA has been under pressure within the last few years to come up with a way to quantify benefits for SIP credit. As a result of that pressure, EPA has worked with contractors to improve modeling, which would make the job of quantifying benefits easier. Over the next year, EPA will be producing a draft proposal to bring before the committee. This proposal will discuss how the Agency intends to accomplish quantifying benefits for SIP credit.

#### **EPA State Implementation Plan Land Use Policy (John Hall, EPA Office of Mobile Sources)**

John Hall, EPA-OMS, began his presentation by summarizing OMS' project goals. One goal is to develop federal incentives to recognize beneficial land use practices that improve air quality (focusing primarily on VMT and vehicle emissions). OMS is also working to create a policy that provides states with multiple options to receive air quality credits for land use measures.

Mr. Hall mentioned several related developments that he said show the need for the policy and, in some cases, may assist OMS in developing the policy. These developments are the growing interest in regional and state growth management (e.g., the ballot initiatives of this past year's election), the growing body of literature on the impacts of land use patterns on travel behavior, and several other EPA efforts (e.g., Clean Air Partnership Fund, Better America Bonds). (Mr. Hall noted that more of EPA's ongoing research is outlined in the policy document that was sent out previously.)

Mr. Hall next discussed some of the research outlined in the Background Information Document. This research includes a discussion of a forthcoming literature review on the effects of urban form on travel and emissions. The document also describes work in progress on a methodology to establish SIP credit for infill development, and an evaluation of modeling tools for assessing land use policies and strategies. Finally, the document discusses current efforts focusing on data collection and modeling needs for transportation impacts of microscale urban design programs (e.g., pedestrian walkways, access to transit stations).

Mr. Hall provided a general overview of the Background Information Document, which includes a snapshot of current SIP practices and precedent and suggestions from state and local authorities for EPA's future role in developing a SIP credit policy. Mr. Hall explained that the document was created using a survey methodology. This survey was completed by state and local authorities, including state air quality agencies, metropolitan planning organizations (MPOs), and councils of government (COGs). The survey covers a total of 27 metropolitan areas, and contains responses from 29 air agencies and 43 MPOs/COGs in Regions 1, 3, 8, 9, and 10. Mr. Hall explained that air agencies were asked about measures in air quality plans and barriers to incorporating those measures in a plan. MPOs and COGs were asked about modeling and forecasting for land use policies. All of the respondents were asked about barriers to implementing measures and an appropriate role for EPA in the process. The survey found that nine of the 27 metropolitan areas identified land-use-related controls in an air quality plan. (Mr. Hall noted that the programs in Sacramento and the Bay Area have actually quantified benefits and taken explicit credit.) Six other policies were identified but they were not incorporated into air quality plans.

Mr. Hall next listed some of the examples of land use measures cited in the document, including San Francisco's Transit Oriented Development, Monterey Bay's Livable Communities, Portland, Oregon's Urban Growth Boundary program, and Maryland's Smart Growth Legislation.

Mr. Hall then discussed some of the barriers to SIP adoption identified in the document, which included the following:

- Benefits may be double-counted.
- It is difficult to accurately quantify benefits using existing travel demand models. (This problem often occurs when the program area is too small to be accurately modeled using the grid system.)
- Benefits may be small, difficult to commit to, or may extend beyond the SIP timeline.
- Regional agencies may be hesitant to commit to emission reductions that require local government action.

- It is difficult to predict or to know how land use controls will actually effect development practices.
- Fiscal benefits of compact development are not understood by local governments.
- Public consciousness is often raised only after congestion gets bad and open space disappears.

Mr. Hall summarized the responses OMS received from those surveyed. Two-thirds of the air agencies said that EPA guidance would be helpful either for quantifying benefits or for sharing information about what has made existing programs successful. Mr. Hall noted that staff generally responded that guidance on quantifying benefits would be most helpful while management said that they would like guidance on sharing information. Many respondents felt that allowing SIP credit would give support to the study of program impacts, but that it may not lead to the measures being incorporated into the SIP. Only about one-third of the MPOs and COGs said that EPA guidance would be helpful. They felt that it may be too difficult to influence local governments' land use decisions or too difficult to quantify reductions. Those that felt that guidance would play a positive role were primarily in rapidly growing areas of the western United States. Mr. Hall noted that, in general, management was more positive about the program than staff.

Mr. Hall stated that OMS gave survey respondents the opportunity to suggest directions for EPA's future efforts. Some of the suggestions regarding policies that grant credit to programs were (1) to improve current travel demand models, (2) to develop new analytical techniques to account for micro-scale changes, and (3) to conduct more research on emissions impacts of land use policies. Mr. Hall stressed that these are all ideas that EPA is already considering. Suggestions for promoting the adoption of policies were (1) to provide relevant examples, (2) to model a process for achieving consensus for regional policies, (3) to provide information about fiscal benefits, (4) to provide incentives to local governments (e.g., allow the adoption of policies as an alternative to project deletion for non-conforming TIPS), and (5) to provide incentives to developers (e.g., promote the streamlining of the environmental review processes).

Mr. Hall concluded by mentioning that one of EPA's next steps is the development of a policy options report, which will include further review of the literature, further definition of

- Ms. MacGregor mentioned that, before EPA issues the policy, the Agency will consider input from groups other than just the subcommittee. Further, she stated that the Agency also hopes that over the next year it will be able to present some of the modeling that is underway, along with other, more specifically defined material.
- Mr. Johnson voiced his concern about waiting so long to get wider stakeholder input. He indicated that he has worked with groups in core states that have been very active at the MPO level in addressing these issues, and stressed that EPA should seek the input of these groups.
- Mr. Mittelholzer commended EPA for its work on the document and, in particular, for surveying the states.
- Ms. MacGregor stressed that there would be further dialog on the Background Information Document and Mr. Hall's presentation in the future

## **Conclusion**

Ms. MacGregor and Mr. Wyman adjourned the subcommittee meeting at 8:30 p.m.

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